

# SENATE BILL REPORT

## ESHB 2327

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As of February 22, 2018

**Title:** An act relating to appliance efficiency standards.

**Brief Description:** Concerning appliance efficiency standards.

**Sponsors:** House Committee on Technology & Economic Development (originally sponsored by Representatives Morris, Hudgins, Tarleton, Fey, Slatter, Fitzgibbon, Macri, Ormsby and Doglio).

**Brief History:** Passed House: 2/13/18, 53-45.

**Committee Activity:** Energy, Environment & Technology: 2/21/18.

### Brief Summary of Bill

- Repeals federally preempted appliance efficiency and testing standards.
- Amends the state efficiency and testing standards for certain state-covered appliances.
- Establishes new minimum efficiency and testing standards for certain appliances.
- Authorizes the Department of Commerce (Commerce) to adopt rules that incorporate by reference only federal efficiency standards for federally covered products as the standards existed on January 3, 2017.

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### SENATE COMMITTEE ON ENERGY, ENVIRONMENT & TECHNOLOGY

**Staff:** Angela Kleis (786-7469)

**Background:** Appliance Efficiency and Testing Standards. Federal law generally allows states to establish minimum efficiency and testing standards for products that are not covered by federal appliance efficiency regulations. Once a federal efficiency standard is established for a given appliance, the federal standard will preempt existing state standards unless the state is granted a waiver of federal preemption.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Federal efficiency and testing standards have been established for the following appliances: commercial refrigeration and freezing equipment, pool heaters, and incandescent reflector lamps.

Washington law sets minimum efficiency and testing standards for several categories of appliances sold, offered for sale, or installed in the state, including water dispensers, portable electric spas, showerheads, and wine chillers.

Commerce may recommend updates to the efficiency and testing standards for certain products and establish state standards for additional nonfederally covered appliances. In making its recommendations, Commerce must use certain criteria, including:

- multiple manufacturers produce products that meet the proposed standard at the time of recommendation;
- the utility of the energy efficient product meets or exceeds the utility of a comparable appliance available for purchase; and
- the standard exists in at least two other states.

Voluntary Consensus Standards. The American National Standards Institute (ANSI) and American Society for Testing and Materials (ASTM) International are not-for-profit organizations that develop and publish voluntary consensus standards and conformity assessment systems for a variety of industry sectors. These standards become mandatory under certain circumstances such as being referenced by the government.

**Summary of Bill:** Repeal of Federally-Preempted Appliance Efficiency and Testing Standards. The state appliance efficiency and testing standards for the following products have been preempted by federal standards and are repealed:

- automatic commercial ice cube machines;
- commercial refrigeration and freezing equipment;
- pool heaters; and
- state-regulated incandescent reflector lamps.

Existing State Appliance Efficiency and Testing Standards. Existing efficiency and testing standards are amended as follows:

- portable electric spas must meet the efficiency requirements of and be tested in accordance with ANSI standards beginning January 1, 2020;
- showerhead tub spout diverter combinations must meet both the state standard for showerheads and for tub spout diverters;
- the idle energy rate of commercial hot food holding cabinets must be determined using the ANSI/ASTM F2140-11 standard; and
- the state standards for hot water dispensers, bottle-type water dispensers, and point-of-use water dispensers expire on January 1, 2020.

New State Appliance Efficiency and Testing Standards. State efficiency and testing standards are established for certain appliances, including:

- computers and computer monitors;
- portable air conditioners and residential ventilating fans;
- signage displays;
- televisions;

- urinals and toilets;
- uninterruptible power supplies; and
- general service lamps.

These appliances, if manufactured on or after January 1, 2020, may not be sold or offered for sale, lease, or rent in the state unless the efficiency of the new product meets or exceeds the state's efficiency standards.

Any electronic product that may be sold via the Internet is exempt from the state appliance efficiency and testing standards until such time as the state has created a monitoring and enforcement standard that it can implement to prevent sales into the state by out-of-state web-based sales sites.

Commerce. Commerce may adopt rules that incorporate by reference only federal efficiency standards for federally-covered products as the standards existed on January 3, 2017. Commerce must regularly submit a report to the Legislature on federal standards that preempt the state appliance efficiency and testing standards. Any report on federal preemption must be transmitted at least 30 days before the start of any regular legislative session.

Water Conservation Performance Standards. Certain water conservation performance standards are repealed.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** *The committee recommended a different version of the bill than what was heard.* PRO: The standards outlined in the bill are well-vetted, common-sense efficiency standards. The federal government is not taking the lead on efficiency standards. We are working with other states who are looking into these same standards. The codes currently in statute have not been updated in a while.

CON: The bill is not well-vetted. We have issues with inclusion HCR lamps, air purifiers, ventilation hoods, and consumer technology products. The standards developed by the association do not match up with conclusions made by engineers at our companies. Consumer technology products are dramatically different from appliances.

The Energy Star Program is voluntary which fosters innovation and sets a high bar for top quality products. Making the standards mandatory undermines the program.

This bill will affect the supply chain and limit the types of products that can be sold in stores. This will increase the price of products in stores, which will greatly affect low-

income households and small businesses. We would rather work with Commerce to conduct a GAP analysis.

**Persons Testifying:** PRO: Amy Wheelless, NW Energy Coalition; Chuck Murray, Washington Department of Commerce; Bruce Wishart, CELP / Sierra Club.

CON: Charlie Brown, Consumer Technology Association and National Electrical Manufacturers Association; Doug Johnson, Consumer Technology Association; Mary Catherine McAleer, Association of Washington Business; Kevin Messner, Association of Home Appliance Manufacturers; Mark Johnson, Washington Retail Association; Joanie Deutsch, TechNet.

**Persons Signed In To Testify But Not Testifying:** No one.